

**THE VIEWS AND ESTIMATES  
OF THE  
COMMITTEE ON HOMELAND SECURITY  
ON THE PROPOSED FISCAL YEAR 2006 BUDGET  
FOR THE DEPARTMENT OF HOMELAND SECURITY**

Pursuant to clause 4(f) of Rule X of the Rules of the House of Representative, and section 301(d) of the Congressional Budget Act of 1974 (2 U.S.C. 601 et seq.), the Committee on Homeland Security is transmitting herewith to the House Committee on the Budget its views and estimates on matters within its jurisdiction or functions to be set forth in the budget of Fiscal Year 2006.

**OVERVIEW**

The core mission of the Department of Homeland Security (DHS) is threefold: first, preventing terrorist attacks within the United States; second, reducing America's vulnerability to terrorism; and third, responding to and recovering from terrorist attacks if and when they occur. The President's proposed discretionary budget for the Department for Fiscal Year (FY) 2006 is \$34.2 billion; with mandatory funding accounts included, the total exceeds \$41 billion. The Committee will carefully examine the prioritization and allocation of this gross amount among the three primary mission areas of the Department.

Inasmuch as the Department was very recently created, chiefly from the merger of 22 formerly separate Federal agencies, the budgets of the Department to date have reflected the President's priorities primarily in the form of incremental additions to the underlying budgets of the legacy agencies, rather than extensive reallocation of budgetary resources among those agencies. As a result, most of the promised efficiencies from the merger of these agencies remain to be achieved. Moreover, the legacy agency-based organization and presentation of the DHS budgets make it difficult to determine with precision the allocation of funding among the Department's three priority mission areas.

In light of this, it will require significant additional Committee work, including formal hearings and staff analysis, to determine whether the top-line funding request is justified, or should be diminished or increased. What is clear, however, is that the prioritization within the proposed budget for FY 2006 does not nearly approximate the allocation of funding that would be made if the purpose were to match resources with the Department's three primary mission areas. In particular, the Department's elevation of the prevention of terrorism to its highest mission priority is not reflected in the allocation of budget resources to intelligence. The proposed budget for the entire Directorate of Information Analysis and Infrastructure Protection (IAIP) comprises less than 3 percent of the Department's budget. Even within that allocation, intelligence focused on terrorist capabilities and intentions comprises a small fraction. The greater part of the IAIP budget consists of critical infrastructure identification and evaluation, national infrastructure simulation and analysis, infrastructure vulnerability and risk assessment, and various protective actions to reduce the vulnerability of critical infrastructure, such as training of infrastructure owners and operators and local law enforcement in best practices. The Committee believes that the conflation of the budget priorities for intelligence with those for infrastructure protection, which are of vital importance in their own right, is resulting in the de-

emphasis of intelligence and the prevention of terrorism on American soil as the top mission priority of the Department.

The Committee is encouraged that the President's FY 2006 budget proposal for the Department contains numerous management and programmatic initiatives that will enhance risk-based resource allocation, foster operational integration, streamline processes, and improve the efficiency and effectiveness of critical homeland security programs. The Committee strongly supports these reforms, and will closely evaluate their details as part of the Committee's upcoming DHS re-authorization process. The President's budget also demonstrates a strong commitment to expediting research, development and deployment of life-saving technologies and countermeasures, particularly those focused on weapons of mass destruction.

The budget proposal falls short with respect to funding additional Border Patrol and immigration enforcement agents, and also alien detention space. Moreover, the proposed budget contains some increases and new funding items that the Committee does not believe have been fully justified. Baseline levels for legacy missions, carried over from prior years' budgets, should be re-evaluated and, where possible, reduced. In particular, the allocation of the significant resources devoted to transportation security spending among different transportation modes – and within the aviation sector itself – should be re-evaluated with a view to better matching resources with risk and identifying opportunities for greater efficiencies and cost savings.

Overall, the programs and initiatives in the President's FY 2006 request reflect continuing progress in the Nation's efforts to prevent and protect against terrorist attacks on the citizens and territory of the United States.

## **DEPARTMENTAL MANAGEMENT**

### *Departmental Operations*

The President's proposed budget for Fiscal Year (FY) 2006 contains several important Department of Homeland Security (DHS) management initiatives. These are largely consistent with recommendations of the Select Committee on Homeland Security during the last Congress.

The Department is moving forward with a DHS Regions initiative, and requested an increase of \$49.895 million to support the development and implementation of a new DHS regional structure that will consolidate some of the separate field structures inherited from various DHS legacy agencies. The Committee supports the dedication of resources to accomplish this key requirement of the Homeland Security Act of 2002, but remains concerned that the Department has not shared with the Congress any specific details of the Department's overall plan. The Committee will review the Department's plan prior to implementation to ensure compliance with Congressional intent in the Homeland Security Act of 2002 (P.L. 107-296), including with respect to such matters as the intent of the Homeland Security Act concerning the Coast Guard (whose status under the Act is different than other legacy agencies), and to ensure appropriate realignment of resources and consolidation of facilities wherever practicable. Given the lack of information that has been provided about the initiative, the Committee is unable to determine whether the full amount of the requested increase for FY 2006 is justified.

The President's request calls for the realignment of \$2.4 million and 15 full-time employees from the Office of the Assistant Secretary for Border and Transportation Security to create a new Secretarial-level, Department-wide policy and planning office. The Committee

strongly supports the elevation and consolidation of policy planning at the Secretarial level, with sufficient resources and authority to enhance policy development and coordination throughout the Department's directorates and offices.

The budget proposal also requests an increase of \$9.459 million to support the creation of a permanent Operational Integration Staff to provide high-level, cross-Departmental coordination and integration of operational missions. The Committee supports the dedication of resources to breaking down institutional barriers within DHS and to promote cooperation and coordination, particularly among legacy components. However, the Committee questions whether funding and personnel necessary to drive this initiative could not be realigned from the resources of existing organizational elements to avoid all or some of the proposed additional expenditures.

The Department of Homeland Security has recently issued final regulations implementing MAX<sup>HR</sup> – a modern human resources management system that reflects the statutory goal of a flexible and performance-based pay system for Department personnel. The President has requested approximately \$53 million in funding to manage the proposed human resources program. The Committee supports this request and the progress of the Department, in cooperation with OMB, to implement the mandate set forth in the Homeland Security Act of 2002 to create a modern, flexible and performance-based human resources management system.

Finally, the proposed budget includes \$26.070 million for continued expansion of DHS headquarters operations at the Nebraska Avenue Complex (NAC). The Committee strongly supports efforts to consolidate organizational elements of the Department at a single location. Such action contributes to efficiency, information sharing, cooperation, and a sense of teamwork and common purpose across the Department. So long as the NAC presents the most viable and efficient solution to the Department's facility needs, resources should continue to be made available to fund this priority.

#### *State and Local Programs*

The Office of State and Local Government Coordination and Preparedness (OSLGCP) is responsible for assisting State, local, territorial, and tribal governments and first responders to prevent, prepare for, respond to, and recover from acts of terrorism, especially those involving weapons of mass destruction. OSLGCP enhances terrorism preparedness by managing the Department's Homeland Security Grant Program and coordinating the Nation's training and exercise programs. OSLGCP also serves as the Department's single point of contact for facilitation and coordination of such programs for State, local, territorial, and tribal governments and first responders.

The President has requested \$3,565,000,000 for State and local government programs in FY 2006. The Committee supports the President's request for over \$3.5 billion for terrorism preparedness activities at the State and local levels. The President's FY 2006 budget request, if fully funded, would result in more than \$8 billion being available for State and local preparedness activities in FY 2006, including funds from the FY 2005 Homeland Security Appropriations Act and from prior years that State and local governments have not yet drawn down for such purposes.

The Committee applauds the President's decision to adopt the basic principles of the "Faster and Smarter Funding for First Responders Act," as passed by the House in H.R. 10 during the 108<sup>th</sup> Congress. The Department intends, in principle, to allocate the vast majority of Federal terrorism preparedness grant funds on the basis of risk and need. While the Committee notes, with approval, the President's request to award all funds under the State Homeland

Security Grant Program (SHSGP) in accordance with an evaluation of risk and need, much work remains to be done in order to ensure that risk determinations are made on the basis of our best intelligence concerning terrorist capabilities and intentions. We continue to support much broader reforms that more clearly and effectively execute those principles, as exemplified by H.R. 10 as passed by the House in the 108<sup>th</sup> Congress. In addition, the Committee supports the President's plan, consistent with H.R. 10, to award Federal terrorism preparedness funds to support the achievement of certain minimum baseline capability levels. These additional changes will ensure greater accountability and more effective and efficient spending decisions at the Federal, State and local levels.

The Committee also supports, in concept, the President's proposal to create the Targeted Infrastructure Protection (TIP) Program. TIP consolidates several previous grant programs aimed at protecting distinct critical infrastructure sectors, which had been carried out by various DHS Directorates, into a single grant program under OSLGCP that focuses on risk-based prioritization of critical infrastructure protection efforts. TIP will provide the Department with the discretion necessary to prioritize infrastructure protection according to threat and vulnerability assessments, and will ensure that the Information Analysis and Infrastructure Protection Directorate plays a central role in targeting these funds. The Committee supports an increase in funds dedicated for this purpose. However, in light of recent reports of questionable spending on and poor management of infrastructure grants, the Committee does not believe that the very large increase proposed in the budget – in excess of \$200 million – has been fully justified at this time.

The Committee supports the President's proposal to eliminate the current limitation on use of DHS grant funds for terrorism prevention purposes, by discontinuing the Law Enforcement Terrorism Prevention Program (LETPP) as a separate grant program. The President's budget proposes that at least 20 percent of all funds awarded under SHSGP and the Urban Area Security Initiative (the latter of which is not authorized in law) be dedicated to the terrorism prevention activities permitted under LETPP. This proposal, while consistent with past appropriations amounts, installs a spending floor and eliminates a cap on the amount of Federal homeland security assistance that may be used for prevention and deterrence activities.

## **INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION**

The Department of Homeland Security's Information Analysis and Infrastructure Protection (IAIP) Directorate is responsible for: (1) the integration and analysis of terrorist threat-related information from all foreign and domestic sources; (2) mapping known threats against physical and cyber vulnerabilities of America's critical infrastructure; and (3) recommending and, where appropriate, implementing preventative and protective measures. The IAIP budget is divided into two primary accounts: the Management and Administration account, and the Assessments and Evaluations account. These two accounts support three principal components: the Office of Information Analysis (IA), the Office of Infrastructure Protection (IP), and the Homeland Security Operations Center (HSOC).

The President's budget request for FY 2006 for Information Analysis and Infrastructure Protection totals \$873,245,000, a decrease of \$20,463,000 below FY 2005 enacted levels. The decrease in total funds is attributable to the transfer of funding for infrastructure protection grant programs and certain technology research and development efforts to other components of the Department, which were more than offset by increases for operations center enhancements and realignments, additional staff and infrastructure improvements.

While the Committee has seen improvements in IAIP over the last two years, IAIP still has a considerable way to go to meet its statutorily mandated responsibilities. Throughout much of its first two years of existence, IAIP has been housed in facilities inadequate for its mission, has struggled to attract and maintain professional staff, and has had difficulty establishing its vital mission within the Intelligence Community. The Homeland Security Act assigns IAIP a clearly defined role distinct from other intelligence and law enforcement agencies. IAIP requires a considerably stronger analytic capability and supporting resources in order to fulfill its statutory mandate. The Committee supports the proposed increases in the Directorate's funding and staffing, but views with alarm the continued failure to realign the Department's overall budget to reflect the primary mission of preventing terrorism.

#### *Management and Administration*

Management and Administration account funds are divided between the Office of the Undersecretary and Salaries and Expenses. The President's budget request for FY 2006 for Management and Administration is \$134.9 million, an increase of \$71.941 million over FY 2005 enacted levels. The increases will support an additional 73 full time employees (FTEs) in IAIP, modernization of facilities, and construction of the Homeland Secure Data Network (HSDN) – a secure, classified backbone for information sharing and collaboration. This increase also represents a realignment of shared service expenses from individual projects in the Assessments and Evaluations account into the Management and Administration account.

The Committee strongly supports the requested \$11.7 million in new funding for an additional 73 FTEs, and encourages IAIP to continue to make hiring additional personnel a priority. These increases in personnel will directly support the DHS statutory role of sharing information, warnings and assessments with federal, state, local and private sector officials. Additionally, the increase of 45 FTEs for the Tactics and Methods Research Teams will significantly upgrade the capabilities for the Vulnerability and Risk Assessment Program.

The creation of consolidated, permanent office space for IAIP is critical, as employees currently are spread over eight locations. The Committee supports the plan to have all employees located in two IAIP permanent spaces. The Committee therefore supports the \$38 million request to enhance facilities at the Department's headquarters and renovate existing buildings to consolidate IAIP personnel and house the additional personnel expected to be hired during FY 2006.

While the Committee supports the request for additional HSDN construction funds, it is imperative that both Congress and the Department conduct vigorous oversight of the effort to ensure that HSDN is constructed with minimal cost overruns and delays.

#### *Assessments and Evaluations*

Assessments and Evaluations account funds are sub-divided into the following program areas: Critical Infrastructure Identification and Evaluation; the National Infrastructure Simulation and Analysis Center; Biosurveillance; Protective Actions; Critical Infrastructure Outreach and Partnerships; Cybersecurity; National Security/Emergency Preparedness; Telecommunications; Threat Determination and Assessment; Infrastructure Vulnerability and Risk Assessment; Evaluations and Studies; Homeland Security Operations Center; and Information Sharing and Collaboration. The President's budget request for FY 2006 for Assessments and Evaluations totals \$669.24 million, a decrease of \$92.404 million from FY 2005 enacted levels.

The decrease in FY 2006 funding levels is attributed primarily to: (1) the transfer of Buffer Zone Protection Plan grants to the new Targeted Infrastructure Protection (TIP) grant program at the Office of State and Local Government Coordination and Preparedness; (2) transfer of the Emerging Pilot and Technology Application Pilots to the Science and Technology Directorate; (3) eliminating redundancies by integrating the functions of the Regional Protective Actions pilot program into Protective Security Division activities; (4) the transfer of the Supervisory Control and Data Acquisition (SCADA) test bed to the Science and Technology Directorate; and (5) other cost-savings initiatives. This account also contains increases of \$45 million divided among Information Sharing and Collaboration, the National Infrastructure Protection Plan, the Protected Critical Infrastructure Information initiative, the Cyber Security Critical Infrastructure Initiative, HSOC, and the Homeland Security Information Network (HSIN).

The Committee supports the request for the Assessments and Evaluations account, especially the increases for Information Sharing and Collaboration, the U.S. Cyber Emergency Readiness Team, and the HSIN, which are at the core of the DHS mission to access, assess, analyze, and share information on terrorist threats to the homeland. The Committee also strongly supports the \$12.9 million proposed increase for HSOC operations. The HSOC is one of the Department's significant initiatives, and enhancing its capability will promote information sharing and coordination with Federal, state, local, and tribal partners, as well as the private sector.

The Committee is encouraged that the hiring and training of the Protective Security Field Operations personnel has begun. This program, which includes the Protective Security Advisors and Field Security Detachments, will provide an IAIP presence throughout the U.S., and will enhance cooperation among the private sector, state and local officials, and law enforcement. The Committee also supports the consolidation of critical infrastructure grants into the Office of State and Local Government Coordination and Preparedness, and expects that IAIP will play a central role in targeting such grants to areas at greatest risk of terrorist attack.

## **SCIENCE AND TECHNOLOGY**

### *Biological, Chemical, Radiological, and Nuclear Countermeasures*

The FY 2006 budget request proposes \$710 million for Biological, Chemical, Radiological, and Nuclear Programs, a \$136 million increase from FY 2005 enacted levels, for research, development, monitoring, analysis, and other efforts to reduce the Nation's vulnerability to weapons of mass destruction. The Committee supports the increased investment in such activities.

The Committee supports the FY 2006 budget request of \$362 million for the Biological Countermeasures portfolio, which includes the National Biodefense Analysis and Countermeasures Center (NBACC), the BioWarning and Incident Characterization System, and other environmental monitoring activities. But the Committee remains concerned about the pace of the threat assessment for potential biological agents – a critical function assigned to DHS by the Project BioShield Act of 2004. The budget also requests \$102 million, a \$49 million increase, for the Chemical Countermeasures portfolio. A significant portion of this funding will be allocated towards the completion of the Chemical Security Analysis Center, which the Committee supports. However, the Committee also believes that nuclear and biological attacks by terrorists pose a much greater potential risk to the United States, and questions whether some

of this additional money for enhanced chemical countermeasures should be redirected to those higher priorities.

#### *Domestic Nuclear Detection Office*

The President's budget request proposes the establishment of a new Domestic Nuclear Detection Office (DNDO) within DHS, jointly staffed by various Federal agencies, to coordinate all Federal efforts to develop, acquire, and support the deployment of a domestic system to detect and report attempts to import, assemble, or transport a nuclear explosive device or fissile or radiological material intended for illicit use. The Science and Technology (S&T) Directorate budget reflects a \$105 million request to establish DNDO, \$9 million in additional funding for the Radiation/Nuclear Countermeasures Test and Evaluation Complex (to be part of the DNDO), as well as \$113.3 million re-directed from detection-related activities in the Radiological and Nuclear Countermeasures Portfolio within the S&T Directorate. In addition, DNDO will acquire or coordinate nuclear-related programs within the BTS Directorate, the IAIP Directorate, the Federal Emergency Management Agency, the United States Coast Guard, and the United States Secret Service.

The Committee strongly supports the President's efforts to enhance our Nation's focus on counteracting the threat of nuclear terrorism, and generally concurs with the budget proposal to create the DNDO. However, the Committee is concerned that the DNDO, as proposed, may not have sufficient authority to coordinate and oversee all relevant programs and activities effectively. The Committee will carefully scrutinize the details of this proposal to assess the ability of this new organization to meet the goals outlined for the DNDO in the President's budget request.

#### *Mission Support*

Among its other critical duties, the Science and Technology (S&T) Directorate is charged with providing scientific and technological support for the operational and programmatic missions undertaken by all other components of the Department. In this regard, the Committee supports the President's budget request of \$93,650,000 for the S&T Directorate to assist the missions of other Directorates and offices, an increase of \$39 million from FY 2005 enacted levels. The S&T Directorate's budget includes programs designed to support the Department's first responder programs and policies: \$20 million for the Regional Technology Integration Initiative, \$5 million for Emergency Responder Personal Protective Equipment, \$8 million for Unified Incident Command and Decision Support, and \$8.5 million for Simulation-Based Training and Education. While these are worthwhile initiatives, the Committee questions whether sufficient budget resources have been allocated to terrorism prevention.

#### *SAFETY Act*

The Committee is concerned that the President's budget request reduces funding for implementation of the Support for Anti-terrorism by Fostering Effective Technologies (SAFETY) Act by \$4.4 million from FY 2005 enacted levels. The SAFETY Act is an important Congressional initiative designed to encourage the development and rapid deployment of life-saving, anti-terrorism technologies by providing manufacturers and sellers of such technologies with limited liability for claims arising out of, relating to, or resulting from an act of terrorism. The Committee strongly supports the goals of the SAFETY Act, and notes that its implementation has been dangerously slow. The Committee expects that revised policies and

procedures that will soon be issued by the Department will reduce bureaucratic obstacles to SAFETY Act applications, provide additional flexibility with respect to criteria for designation and certification of anti-terrorism technologies, and enhance outreach to industry and procuring authorities – all of which should generate higher levels of overall interest and participation in this vital program in the next fiscal year. The Committee does not support the proposed reduction in funding for FY 2006.

#### *Interoperability*

The Committee supports the President's request of \$20.5 million for the recently established Office for Interoperability and Compatibility (OIC), which includes the SAFECOM Program. OIC serves as the umbrella program within the Federal government to help local, tribal, State, and Federal public safety agencies improve public safety response through more effective and efficient interoperable communications. This funding will support the OIC's implementation of the interoperability provisions in the Intelligence Reform and Terrorism Prevention Act of 2004.

#### *Man-Portable Air Defense Systems (MANPADS)*

The Committee finds unjustified the President's request of \$110,000,000 for counter-MANPADS R&D, an increase of \$49 million from FY 2005 enacted levels. This program is unauthorized in law and is consuming substantial funds. The Committee urges the Administration to review the requested increase, giving weight not only to the costs and benefits associated with the development, installation, and maintenance of the countermeasures under study, but also the costs to other Department programs and initiatives of the diversion of such substantial resources. Accordingly, the Committee does not support the proposed level of funding.

#### *Other Research and Development Activities*

The proposed FY 2006 budget would transfer \$116.9 million in research and development (R&D) activities from other components of the Department to the Science and Technology (S&T) Directorate. Specifically, the R&D, testing and evaluation activities of the Transportation Security Administration, the United States Coast Guard, the Bureau of Customs and Border Protection, and the Information Analysis and Infrastructure Protection Directorate would be consolidated. While the Committee generally supports efforts to enhance coordination of DHS research activities, the Committee remains concerned that there does not appear to exist a clear, overall plan regarding R&D activities Department-wide and the most effective role of the S&T Directorate with respect to such activities, including efforts to prevent duplication, leverage R&D investments, and generate cost savings. The Committee also encourages the Department to increase its commitment to cybersecurity-related R&D. This specific commitment would be decreased under the FY 2006 budget proposal, despite credible reports showing that the cybersecurity risk to our Nation and to our critical infrastructures remains high.

## **EMERGENCY PREPAREDNESS AND RESPONSE**

#### *Response and Recovery Programs*

The Committee supports the President's FY 2006 request of \$84.6 million for DHS emergency response and recovery programs. In particular, the Committee notes with approval

the President's decision to increase support for the National Emergency Management Baseline–Capability Assessment Program (NEMB-CAP). NEMB-CAP assists State and local governments in assessing their current preparedness capabilities and the gaps in such capabilities, and helps the Department target needed Federal resources to State and local governments to eliminate such gaps. The Committee also strongly supports the President's budget request of \$15 million for the National Incident Management System (NIMS) Integration Center (NIC). The NIMS establishes standardized incident management processes, protocols, and procedures that all responders – Federal, State, tribal, and local – will use to coordinate and conduct response actions. The NIC provides strategic direction for, and oversight of, NIMS. The Committee encourages the Department to complete the transfer of responsibility for the National Response Plan from the DHS Integration staff to the NIC as soon as practicable. The Committee also supports the \$18 million request for the Radiological Emergency Preparedness Program, an increase of more than \$1 million over FY 2005 enacted levels.

The Committee supports the President's decision to integrate national emergency response teams and systems into a comprehensive, coordinated program to support State and local governments. The Committee, however, notes its concern with the Administration's failure to propose funding for the Pre-positioned Equipment Program, which ensures that critical equipment necessary for response to terrorist attacks is pre-deployed in strategic locations across the country. The Committee urges the Congress and the Administration to fund the relatively insignificant but critical resources necessary to sustain this program in FY 2006.

#### *National Security Programs*

The Committee notes with approval the President's request of \$62 million for national security programs within the Emergency Preparedness and Response Directorate. In particular, the Committee supports the proposed increase of \$11 million for upgrades to the Federal government's main Continuity of Operations facility.

### **BORDER AND TRANSPORTATION SECURITY**

#### *Office of Screening Coordination and Operations (SCO)*

The proposed office of Screening Coordination and Operations (SCO) is intended to coordinate DHS programs to detect, identify, track, and interdict people, cargo, and objects that pose a threat to homeland security. As proposed, the SCO would manage the operations under its umbrella, develop DHS-wide screening policy, reduce redundancy, manage technology investments, and ensure the efficient use of assets. The Committee is supportive of efforts to improve coordination and integration of key screening programs, due to the potential for both cost-saving efficiencies and enhanced mission support. The Committee reserves judgment, however, on this proposal until DHS provides specific details as to how coordination and integration will be effected, and why certain DHS screening activities will not be integrated into the SCO. The Committee also is concerned that the Department proposes to increase overall FTEs to manage the SCO, but expects to see an overall cost reduction in out years if the SCO is managed correctly, due to less individual program overhead. The total budget request for the SCO is \$846,913,000. DHS proposes to consolidate the following programs into the SCO:

#### United States Visitor and Immigrant Status Indicator Technology (US-VISIT)

The US-VISIT program collects, maintains, searches, and shares information on foreign nationals entering the United States in order to enhance national security, facilitate legitimate

trade and travel, and ensure the integrity of our immigration system. The President's budget proposal requests \$390,232,000 to continue operations and maintenance at the air, land, and sea ports where US-VISIT is deployed, and to improve sharing of timely and accurate data across the system. The budget request contains a \$50 million increase from FY 2005 levels to expand the location of entry and exit lanes and further integrate information gathered on travelers.

The Committee supports the security enhancements provided by the US-VISIT program. If properly implemented, this system will build integrity back into the immigration system and provide an increased level of document security. The Committee, however, is concerned by the lack of details provided in the budget for technology acquisition and database integration as future deadlines approach for additional phases of the program. The Committee emphasizes the need for continued authorization and budgetary oversight over this important but complex program.

#### Secure Flight and Crew Vetting

The Department of Homeland Security announced on August 26, 2004, a new air passenger pre-screening program called Secure Flight, which would replace the previously planned but recently abandoned Computer Assisted Passenger Pre-screening System II (CAPPS II) program. Secure Flight is intended to shift responsibility for checking domestic aviation passengers against terrorist watch lists and other appropriate databases from air carriers to the Federal government. Along with Secure Flight, the Transportation Security Administration (TSA) is developing the Crew Vetting Program, which uses computerized vetting, scoring, and modeling techniques to assess potential threats presented by terrorists posing as aviation personnel. The total budget request for both Secure Flight and Crew Vetting is \$94,294,000, which is an increase of \$49,375,000 over base funding in FY 2005. The Committee supports the Federal government having responsibility for conducting pre-screening programs for passengers and crew, and encourages TSA and/or the SCO to use these additional funds to develop performance metrics for these systems, and to effectively address the related issues of privacy, accuracy, and passenger redress. Additionally, the Committee is concerned that, while TSA has noted the need to coordinate the implementation of Secure Flight with the Customs and Border Protection (CBP) Advanced Passenger Information System (APIS), there is no mechanism in place to ensure that such coordination occurs – particularly given that APIS is not proposed for transfer to the SCO.

#### Free and Secure Trade (FAST)

The Free and Secure Trade (FAST) program is a cargo facilitation program that entitles importers, commercial carriers, truck drivers, and manufacturers that enroll and are accepted into the program to expedited clearance at ports of entry. There are currently 27,000 drivers enrolled in the FAST program at 17 ports of entry along the Northern border and 13 along the Southern border. The budget requests level funding of \$7 million for the FAST program. The Committee supports efforts by DHS to expedite low-risk cargo across the border, and encourages the Department to utilize the efficiencies of the proposed SCO to help expand the FAST program in FY 2006.

#### Nexus/SENTRI

The Nexus and SENTRI programs are expedited border crossing programs, similar to FAST, but created for people. The Nexus program is a joint program between the U.S. and

Canadian governments at six ports of entry along the Northern border covering a total of 13 lanes, and SENTRI is a U.S. program along the Southern border at six ports of entry covering a total of 14 lanes. The total budget request is \$14 million, which is level funding with FY 2005. As with the FAST program, the Committee supports efforts to expand opportunities for low-risk travelers to receive expedited screening at ports of entry. The Committee also encourages the Department to dedicate some of these resources to enhanced integration of the FAST and Nexus/SENTRI programs, so as to allow a card holder to receive program benefits at any port of entry through which they travel.

#### Credentialing Administration and Operations

Within the SCO, the Credentialing Administration and Operations will provide leadership and management for the effective and efficient consolidation of screening activities. The budget request is for \$20 million, which will provide \$6 million for 32 FTEs and \$14 million for initial credentialing activities. Included in the \$14 million is \$10 million for the Transportation Worker Identification Credential (TWIC). These funds will be used to purchase and install equipment and software for producing the cards, to enroll card holders, for identity management, and for biometrics. In addition to the \$10 million in start-up costs, the SCO will have the authority to collect \$244,772,000 in fees to cover the on-going costs of issuing roughly two million TWICs to transportation workers who have access to high-risk areas. With respect to the \$6 million request for 32 new FTEs to manage the SCO, the Committee believes that the transfer of existing personnel from these various screening programs, combined with the efficiencies generated by the consolidation, should provide sufficient resources to stand up and manage the SCO without the need for additional expenditures.

#### Registered Traveler

Several agencies within DHS have established or are seeking to establish registered or “trusted” traveler programs, which would provide expedited screening for individuals once they provide biographic and biometric information and are screened against terrorist and law enforcement databases. Under the SCO, DHS proposes to consolidate these efforts to create a fully integrated registered traveler program for both domestic and international travel. DHS is requesting authority to collect approximately \$22.5 million in fees to cover the operating costs of the combined Registered Traveler program. The Committee generally supports this request, but notes that additional information is necessary regarding the costs of the program.

#### Hazardous Materials (HAZMAT) Drivers Background Checks

The USA PATRIOT Act (P.L. 107-56) required background checks on drivers applying for, renewing, or transferring a HAZMAT drivers’ license endorsement. Under the President’s proposal, the SCO will acquire the HAZMAT program and establish fee-based programs with state entities to cover the cost – estimated at \$44,165,000, for issuing 500,000 certifications annually. The Committee will closely review whether there are ways to reduce the costs of this program, while ensuring that the security requirements of the PATRIOT Act are met.

#### Alien Flight School Checks

Current law requires that background checks be conducted on foreign nationals seeking flight training in the U.S. The budget request seeks to transfer to the SCO this program and the

authority to require fees to recover the operational costs, which is estimated to total \$10 million in FY 2006.

#### *U.S. Customs and Border Protection (CBP)*

The responsibilities of U.S. Customs and Border Protection (CBP) are expansive – protection of U.S. borders, inspection at U.S. land, air, and sea ports of entry (POE), and promotion of economic growth and security through the regulation and facilitation of goods and people moving across U.S. borders. Given these critical missions, the Committee strongly supports increased funding for CBP in the FY 2006 budget.

The Committee supports CBP efforts to develop and acquire technological resources to enhance its operational capabilities. The proposed budget increase for Weapons of Mass Destruction (WMD) detection technology will fund 269 Radiation Portal Monitors (RPMs), installation of RPMs at the highest priority Southwest border POEs, and the initial deployment of RPMs to international airports. The Committee strongly supports the installation of these monitors as part of a layered defense strategy, but remains concerned about the Department's ability to remain on schedule due to growing cost estimates and complex technological issues. The Committee urges the Department to develop a prioritized and realistic funding and technology plan for this program, and to enhance coordination of related activities within DHS and with other relevant Federal agencies.

The Committee is encouraged by the initial steps taken by the Department to strengthen supply chain security through the Container Security Initiative (CSI) and the Customs-Trade Partnership Against Terrorism (C-TPAT). While these programs are promising concepts, the Committee has considerable concerns about their implementation and the anticipated benefits and costs associated with them. Accordingly, the Committee reserves judgment on the proposed increases in these two programs until the Department provides additional justification to the Committee.

The Department's request for only 210 additional border patrol agents is inadequate. The Committee strongly urges the re-allocation of DHS resources in order to fully fund the 2,000 additional agents authorized by Congress under the Intelligence Reform and Terrorism Prevention Act of 2004. To ensure adequate training and working conditions for such new agents, the Committee also urges the Department to increase support services for these agents. Due to the importance of aircraft to the border patrol mission, the Committee is supportive of the increase of \$20 million for CBP aircraft replacement and modernization, provided that the Department details how it plans to coordinate such fleet modernization efforts among its various air security components. The Committee also supports the Department's plans to enhance electronic surveillance capabilities along the Southern and Northern land borders through the America's Shield Initiative (ASI), and fully supports the \$19.8 million proposed increase for this program.

#### *Immigration and Customs Enforcement*

U.S. Immigration and Customs Enforcement (ICE) enforces Federal immigration, customs, and air security laws, and provides Federal facilities security. ICE is comprised of four separate divisions: Detention and Removal Operations (DRO), Federal Air Marshals Service (FAMS), Federal Protective Service (FPS), and the Office of Investigations (OI). The President has requested a total of \$4,364,270,000 in FY 2006 for ICE operating expenses, construction, modernization, and fee authority – an increase of \$519 million over FY 2005. ICE has been

under serious financial strain during FY 2005, and the Committee supports this requested increase, which should provide ICE with the additional resources necessary to strengthen its financial solvency and its critical homeland security responsibilities.

The Administration requests a total of \$1,692,400,000 for Detention and Removal Operations (DRO) in FY 2006. This account includes additional resources for the detention and deportation of aliens, the Fugitive Operations program, the Institutional Removal program, and Alternatives to Detention. The Committee is fully supportive of the proposed \$90,000,000 increase to fund 1,900 additional detention bed spaces and associated personnel, but urges the Department to ensure that all necessary funding is provided for such activities so that all high-risk aliens can be detained while awaiting deportation.

The Committee supports the increased funding request of \$105 million for the Office of Investigations. Included in this request is an \$18 million proposed enhancement for the worksite enforcement program, which the Committee supports. The Committee notes, however, the importance of ensuring that aggressive worksite enforcement does not reduce ICE's focus on investigating and locating the hundreds of thousands of criminal aliens in the country, or those who have overstayed their visas and may pose a threat to the national security of the United States.

### *Transportation Security Administration (TSA)*

#### Aviation Security

The President's FY 2006 budget requests \$5,561,792,000 for aviation security, a \$156 million increase over FY 2005. Included within this amount, the President's request of \$2.67 billion for passenger and baggage screeners represents a \$245 million increase over FY 2005. The Committee believes that TSA must aggressively look for ways to improve the management of its workforce and technologies in order to control costs while enhancing performance, including through the fair evaluation and support of contractor screening options where appropriate. If done properly, such actions should be able to reduce the aviation security budget for FY 2006, both in absolute and relative terms.

The Committee does not support the doubling of the security fee on passenger tickets, as proposed in the budget. The costs of aviation security, as the events of September 11<sup>th</sup> demonstrated, are national defense obligations that should be spread as evenly as possible across the entire Nation. The budget requests authority to collect \$3.789 billion in passenger security fees during FY 2006, more than twice the \$1.7 billion collected in aviation security fees during FY 2005. The Committee urges the Congress and the Administration to examine alternative means for funding aviation security operations, and to seek further efficiencies and cost savings in these functions in lieu of increasing direct taxes on passengers.

The FY 2006 budget request also proposes to increase funding for checkpoint support by \$34 million over FY 2005 enacted levels. The Committee supports this enhancement of resources to ensure that checkpoint screeners have adequate technological support to achieve optimal screening outcomes; that checkpoint reconfiguration may be carried out to facilitate the installation of emerging technology; and that an additional 75-100 lanes are added to accommodate growth and new terminals.

The Committee notes with approval that the FY 2006 budget request includes the additional funding for air cargo security inspections that was included in the FY 2005 DHS Appropriations Act. However, the Committee notes with concern the lack of a specified air

cargo security research and development (R&D) funding account within the overall DHS budget, due to the consolidation of such R&D within the budget for the Science and Technology Directorate. While the Committee generally supports such R&D consolidation efforts, including the transfer of almost all of TSA's R&D programs, the Department must provide additional details as to how such consolidation will affect specific R&D programs such as air cargo security.

The President's budget request also seeks \$6 million to hire inspectors to conduct inspections at the 650 Foreign Repair Stations that U.S. air carriers use. The Committee will review the adequacy of this request as compared to the risks posed by such foreign repair operations.

#### Surface Transportation Security

The President's FY 2006 budget proposal requests \$32 million for Surface Transportation Security, a \$83 million decrease over FY 2005 enacted levels. This decrease is almost entirely due to the Transportation Worker Identification Card (TWIC) and Hazmat CDL credentialing programs being moved to the Screening Coordination and Operations office. The \$32 million requested includes funding for 100 rail inspectors, who will be stationed around the country and will monitor compliance with security directives issued by TSA. The remaining funds in Surface Transportation Security will be used for continued development and implementation of modal-specific plans for a national strategy for transportation security, and for information sharing and analysis, vulnerability assessments, and development and issuance of security rules or directives.

The Committee supports the consolidation of credentialing and screening programs into a single office, increasing the efficiency and management of such programs and reducing overlapping services and support. The Committee supports the hiring of inspectors to review compliance with rail security directives, but encourages TSA to fully utilize such FTEs to work with other Federal agencies, other DHS components, state and local officials, and industry representatives to more broadly promote transportation security activities. The Committee also is concerned that the mission of the Surface Transportation Security division of TSA remains poorly defined, particularly given the overlap with DHS Infrastructure Protection Division activities, and recommends that the Department re-evaluate the various roles and responsibilities of these Departmental components to determine whether efficiencies and cost savings can be gained.

#### Transportation Security Support

To support the operational needs of TSA, the proposed FY 2006 budget includes \$545,008,000 for Transportation Security Support. This represents a decrease of \$167 million from FY 2005. Included in this request are funds for intelligence services, headquarters administration, and information technology support. The decrease represents a transferring of funds for research and development to the Science and Technology Directorate and other reorganization efforts within TSA. The Committee supports the proposed budget in this area.

### **UNITED STATES COAST GUARD**

#### *United States Coast Guard Operating Expenses*

For Coast Guard operations and maintenance, the FY 2006 budget request totals \$5,547,400,000, an increase of approximately \$390 million over FY 2005. As defined by the

Homeland Security Act of 2002 (P.L. 107-296), the Coast Guard has specific homeland security missions, which include protecting ports, waterways and coastlines; defense readiness; drug and migrant interdiction; and other law enforcement activities.

The FY 2006 requests for these missions are:

Drug Interdiction . . . . .	\$720 million
Migrant Interdiction . . . . .	\$181 million
Ports, Waterways & Coastal Security . . . . .	\$1,576 million
Defense Readiness . . . . .	\$99 million
Other Law Enforcement . . . . .	\$48 million

This funding account includes, and the Committee supports, over \$50 million in new resources for the implementation of the Maritime Strategy for Homeland Security, including those necessary to increase operational presence and response posture and enhance maritime domain awareness. This funding account also includes \$7 million for enhanced radiation/nuclear detection capabilities to be built into existing East, West and Gulf Coast Maritime Safety and Security Teams. This initiative is part of the larger, proposed DHS Domestic Nuclear Detection Office, and the Committee supports this effort to coordinate the radiation/nuclear detection capabilities of all DHS agencies. The Committee also supports the re-allocation of \$20.8 million to operate the new Enhanced-Maritime Safety and Security Team (E-MSST), a high-end maritime counterterrorism unit. The Committee notes that an important step in implementing the Maritime Strategy for Homeland Security is ensuring the seamless coordination of operations among DHS agencies participating in the maritime security mission (Coast Guard, CBP, ICE, and TSA).

#### *Acquisition, Construction, and Improvements*

Funding under this account supports plans to modernize and improve the Coast Guard fleet. The majority of the funding requested is for acquisition, construction, and improvement of vessels, aircraft and facilities. The President's budget proposal requests \$1.26 billion for this account.

Within this account, the Committee generally supports the President's Deepwater Project funding proposal – requested at \$966 million, significantly above FY 2004 [05?] levels – to replace and modernize the Coast Guard's aging fleet of ships and aircraft. The Committee notes, however, that the overall Deepwater Project plan was originally crafted in 1998, prior to the expanded homeland security mission assigned to the Coast Guard following the events of September 11, 2001. The Coast Guard has yet to submit its revised baseline plan for Deepwater, a plan that was expected to be received by Congress with the FY 2006 budget request. Accordingly, the budget request must be reviewed more closely once the revised baseline plan is received.



Chris Cox

Jim Gibbons

Frank

Andy Shupe

David E. Ingram

Mike Ryan

Michelle T. McCall

~~Jim Gibbons~~

Mark Souder

John Luke

Tom Davis

Steve Pearce

Charles W Dent

Lamar Smith

Katherine Harris

Cent Weldon

B. J. W.

**DON YOUNG**  
CONGRESSMAN FOR ALL ALASKA

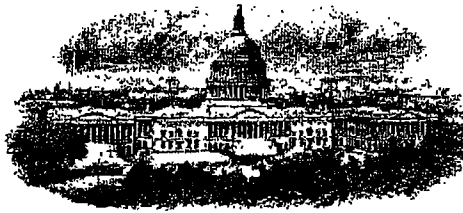
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**COMMITTEES:**

**CHAIRMAN**  
**COMMITTEE ON**  
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**COMMITTEE ON**  
**HOMELAND SECURITY**



**Congress of the United States**  
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March 8, 2005

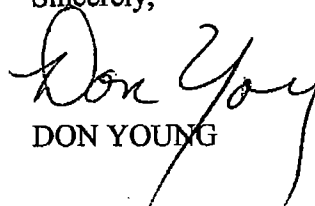
The Honorable Chris Cox  
Chairman  
Committee on Homeland Security  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Cox:

Attached are my dissenting views on the Committee on Homeland Security's "Views and Estimates" for fiscal year 2006. While I agree with much of the document as drafted, there are few areas where I believe it is important to express an alternative viewpoint.

Thank you for giving me the opportunity to comment on the Committee's fiscal year 2006 Views and Estimates.

Sincerely,

  
DON YOUNG

ADDITIONAL AND DISSENTING VIEWS  
Representative Don Young

While I agree with much of the Committee on Homeland Security's Views and Estimates for fiscal year 2006, there are a few areas where I believe it is important to express an alternative viewpoint. I am concerned the views and estimates do not give significant emphasis to Section 888 of the Homeland Security Act (Public Law 107-296), which states that the Coast Guard "*shall be maintained as a distinct entity within the Department, including the authorities and functions of the Secretary of Transportation*".

Under the DEPARTMENTAL MANAGEMENT, *Departmental Operations* section of the statement, the Committee refers to the proposed consolidation of "separate field structures inherited from the legacy agencies". While I am pleased that specific mention is made of the Coast Guard's special status under Section 888 of the law, greater emphasis should be given to this point. The Coast Guard has located its field operations around America's coasts in a manner that allows it to effectively carry out its missions, including homeland security. Consolidating those operations with non-marine activities for purposes of administrative convenience might diminish the Service's operational effectiveness.

The Committee's views and estimates support funds for the migration of Department personnel to the MAX human resources program. I am concerned that moving Coast Guard uniformed personnel into the department's civilian MAX program runs against the intent of Section 888 and would not be as effective as the existing uniformed service personnel system.

The Committee expresses support for the consolidation of infrastructure security grants to the Targeted Infrastructure Protection (TIP) program. The TIP proposal attempts to create efficiencies by causing rail, chemical plant, transit, port and other infrastructure security needs to compete against one another for funds from a single program. I am very concerned about the ability of the department to effectively evaluate the security needs of a port as compared to that of a bus terminal or other critical infrastructure component. There are fundamental differences in the security infrastructure needs of the various functions eligible under the TIP program. I continue to support a separate port security grant program as authorized by Section 102 of the Marine Transportation Security Act of 2002 (Public Law 107-295).

Under the DEPARTMENTAL MANAGEMENT, *State and Local Programs* section of the statement, the Committee "*applauds the President's decision to adopt the basic principles of the "Faster and Smarter Funding for First Responders Act," as passed by the House in H.R. 10 during the 108<sup>th</sup> Congress.*" However, the budget undermines H.R. 10's fundamental compromise on state minimum funding, which enabled the provision to pass the House with broad support. Rather than guaranteeing each state a minimum of .25%, and high-risk states .45%, of the major grant programs, the Administration's proposal guarantees only .25% of a portion of these grants. The practical effect of this proposal is to reduce minimum funding from about \$14 million to

\$2.5 million for high-risk states and \$7.8 million to \$2.5 million for all other states. In FY 2004, all states received a minimum of \$19 million. While I oppose the Administration's recommendation, I continue to support the state minimum as it passed the House in H.R. 10.

The SCIENCE AND TECHNOLOGY, *Other Research and Development Activities*, section of the statement expresses support for “*efforts to improve the coordination of DHS research activities*”. I share the Committee's desire to improve communication and prevent duplicative efforts of the various DHS components. However, I oppose the transfer of the Coast Guard's research and development efforts, because of its significant non-homeland security research needs. Congress rejected a similar proposal last year. In fiscal year 2005, the Coast Guard's Research and Development Center was funded directly as is consistent with current law.

Under the SCIENCE AND TECHNOLOGY, *Man-Portable Air Defense Systems (MANPADS)* section of the statement, I disagree with the Committee's statement that the President's request of \$110 million for counter-MANPADS R&D is unjustified and unauthorized. MANPADS pose a significant threat to U.S. civil aviation. The proposed R&D funds are critical to developing an effective counter-MANPADS system that could be deployed to protect the civil aviation fleet. These funds are authorized under 49 USC 48301, which authorizes to be appropriated for FY 2006 such sums as may be necessary to carry out chapter 449 and related aviation security activities under title 49. Chapter 449 contains (in section 44912) a broad authorization for the research, development, and implementation of technologies and procedures to counteract terrorist acts against civil aviation.

MARK E. SOUDER  
3RD DISTRICT, INDIANA

GOVERNMENT REFORM COMMITTEE

SUBCOMMITTEE ON CRIMINAL JUSTICE,  
DRUG POLICY AND HUMAN RESOURCES  
CHAIRMAN

RESOURCES COMMITTEE

SELECT COMMITTEE ON  
HOMELAND SECURITY

SPEAKER'S DRUG TASK FORCE  
Co-CHAIRMAN

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515

March 9, 2005

The Honorable Christopher Cox  
Chairman  
House Committee on Homeland Security  
House of Representatives  
Washington, DC 20515

Dear Chairman Cox,

Attached are my supplemental views and estimates for the Department of Homeland Security's Fiscal Year 2006 budget. Thank you for your consideration.

Sincerely,



Mark E. Souder  
Member of Congress

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**Department of Homeland Security (Drug Control) – Supplemental  
Views and Estimates on the President’s FY 2006 Budget  
Submitted by Mark E. Souder**

The President’s FY 2006 budget request includes \$41.1 billion for the Department of Homeland Security (DHS). This is an increase in total budgetary authority of 7 percent over the enacted FY 2005 funding. Of that amount, the Administration has identified \$2,936,900,000 as drug control-related. That would be an increase of more than \$300 million over the estimated \$2,631,500,000 appropriated for counterdrug purposes by Congress for fiscal year 2005, and approximately \$400 million over the Administration’s request last year. The counterdrug funding would be allocated to 3 agencies: the U.S. Coast Guard, the bureau of Immigration and Customs Enforcement (ICE), and the bureau of Customs and Border Protection (CBP).

I am very concerned about the Department’s commitment to vigorous drug enforcement. Strong action against drug trafficking is a vital component of our overall effort to stop the financing of terrorist activities. Nowhere is that responsibility more important than at DHS. It was for this reason that Congress specifically provided in 2002 that the primary mission of the Department included the responsibility to “monitor connections between illegal drug trafficking and terrorism, coordinate efforts to sever such connections, and otherwise contribute to efforts to interdict illegal drug trafficking”<sup>1</sup> I call on DHS to take this mandate seriously, particularly since the \$300 increase in the overall drug budget request is largely due to the increase in DHS’ proposed budget.

***Office of Counter-Narcotics Enforcement (CNE)***

When Congress created DHS in 2002, it combined some of the most important anti-drug trafficking agencies in the Federal Government. To assist DHS in meeting its vital counterdrug responsibilities, Congress originally created the Counternarcotics Officer (CNO) position. The CNO’s duties were to assist the Secretary (1) to coordinate policy and operations within the Department and between the Department and other Federal departments and agencies with respect to interdicting the entry of illegal drugs into the United States; (2) to track and sever connections between illegal drug trafficking and terrorism; and (3) to ensure the adequacy of resources within the Department for illicit drug interdiction.

Unfortunately, that statutory provision did not clearly define how the CNO was to fulfill those duties, nor does it give the CNO adequate status or resources to fulfill them. Those shortcomings became very obvious when, in clear opposition to Congressional intent, the Department filled the position with a detailee from ONDCP, and refused to give him a dedicated budget or the ability to hire staff.

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<sup>1</sup> 6 U.S.C. 111(b) (1) (G).

In order to correct these problems, Congress passed legislation in 2004 that replaced the CNO with a new Office of Counternarcotics Enforcement, headed by a Director nominated by the President and confirmed by the Senate. Moreover, the legislation authorized up to \$6 million of the Department's management funds for a dedicated budget for the new Office. (See P.L. 108-458 )

Despite this clear statement of Congressional intent, which was signed by the President, the Administration has not included any funds for the new Office in its budget request. In fact, the budget appears not to mention the Office or its Director at all. This raises the question of whether the Administration intends to nominate a Director or hire staff to assist him, and if so, whether that Director will have any independence or authority to carry out his statutory responsibilities.

I strongly disapprove of this decision, and believe that Congress should specifically designate a line item in any DHS appropriations legislation for the Office. The Department must take this Office, and the mission it was designed to promote, seriously.

### ***Office of Air and Marine Operations***

I applaud the effort by the Department to consolidate aviation and marine assets by merging the Border Patrol and Air and Marine Operations (AMO) into a single program. This merger will help to consolidate the operation, training, maintenance, and procurement of these high-value/low density law enforcement assets. However, I will continue to monitor the progress of the ongoing transition making sure that there will not be a reduction in Department's counterdrug interdiction and apprehension capabilities. I would like to see the Department take further steps to enhance similar efficiencies with their Unmanned Aerial Vehicle (UAV) program. I favor a UAV that accommodates multiple sensors that would meet the needs of all of our federal border security agencies.

The President's budget recommends that CBP's Air and Marine Operations program receive \$292,780,000 for Operations, Maintenance, and Procurement (O&M) and \$136,060,000 for salaries and expenses (S&E). I support the O&M increase of \$35 million but question whether the S&E increase of only \$4.6 million will be sufficient to cover the shortfalls at the Air and Marine Operations Center (AMOC) in Riverside, the additional requirements for personnel on the northern border, and the National Capitol Region (NCR) that guards the airspace over Washington DC.

Currently, AMOC, the agency's primary tracking and monitoring facility, is only 60% staffed. With the manning shortfalls, AMOC managers must selectively choose what radar feeds to monitor, leaving the nation vulnerable in the sectors that AMOC cannot watch.

More personnel are also needed at AMO's northern border facilities. If these new personnel are not funded, AMO will have to shift staff from its southern tier locations. Likewise, the National Capitol Region (NCR, which provides airspace security for the

Washington, D.C. area) has operated with temporary personnel and assets since its inception at great cost to the overall AMO program.

I have grave concerns about the aging air and marine fleet found within the Department. I recommend that the Department closely evaluate the current agency modernization proposals and submit recommendations to Congress that will maintain air and marine capabilities that combat terrorism and illegal drug movement in the source, transit, and arrival zones, provide law enforcement support, and perform airspace security missions.

### ***Shadow Wolves Customs Patrol Officers***

I have grave concerns about the status of the last remaining unit of Customs Patrol Officers patrolling the border, the “Shadow Wolves” unit that works on the 76-mile stretch of the Mexico-Arizona border contained in the Tohono O’odham sovereign Indian Nation. The Shadow Wolves are all Native Americans, who combine traditional tracking methods and modern technology to find, follow, and arrest drug traffickers. The Shadow Wolves have historically been one of our nation’s most effective drug enforcement units, seizing over 100,000 pounds of narcotics annually, with only 21 agents.

The Shadow Wolves were a part of the U.S. Customs Service until March 2003, when DHS assigned them to CBP, which in turn placed them under the control of the Border Patrol. Border Patrol management has not been successful, as the missions, priorities, and methods of the two groups are simply too different. Only 16 of the 21 Shadow Wolves agents in uniform in 2003 are still active, and there is a serious risk that the rest will retire or move to other employers if the problems are not addressed. The Border Patrol itself has reportedly asked that the unit be transferred to another agency.

I agree that the Shadow Wolves should be moved to another agency within DHS. Two possible new “homes” for the unit are the Office of Air and Marine Operations (AMO) at CBP, and the Office of Investigations at ICE. Both of these units worked very successfully with the Shadow Wolves prior to 2003 (when they were all part of the Customs Service). I may pursue legislation to address this problem if DHS is unwilling or unable to act on its own.

### ***Immigration and Customs Enforcement (ICE)***

I believe that Congress and the Administration should carefully consider new solutions to the problems at ICE and DHS. For example, the Heritage Foundation recently issued a report, “DHS 2.0: Rethinking the department of Homeland Security,” that recommends a merger of the investigative and border security elements of ICE and CBP. Such a merger could enhance border security by implementing proven administrative, logistical, and budget programs currently implemented in CBP and lacking at ICE. The merger could also reinvigorate the border partnerships formerly held by Customs Inspectors and Investigators. I will continue to analyze these and other potential solutions.



One Hundred Ninth Congress  
U.S. House of Representatives  
Committee on Homeland Security  
Washington, DC 20515

March 8, 2005

The Honorable Christopher Cox  
Chairman  
Committee on Homeland Security  
United States House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Attached are the Additional Views of the Committee's Democratic Caucus to be included as part of the Committee's Views and Estimates regarding the President's fiscal year 2006 budget request for the Department of Homeland Security.

Sincerely,

A handwritten signature in black ink, reading "Bennie Thompson", with a long, sweeping horizontal line extending to the right.

Bennie G. Thompson  
Ranking Member

**Minority Additional Views**  
**Committee on Homeland Security**

**Views and Estimates Regarding the President's Proposed Budget for the Department of Homeland Security for Fiscal Year 2006**

The Democratic Caucus of the Committee on Homeland Security appreciates the opportunity to forward its views and estimates to the Budget Committee regarding the President's Budget request for the Department of Homeland Security for fiscal year (FY) 2006.

**Overall Spending Levels**

For FY 2006, the Department of Homeland Security (DHS) requests \$40.1 billion in total funding, representing a \$48 million – or a one tenth of one percent – increase relative to the FY 2005 level of \$41.0 billion. After accounting for mandatory programs (such as the Coast Guard retirement fund, and disaster relief programs) and certain fee-funded accounts (such as those used by the Bureau of Immigration and Customs Enforcement for portions of their activities), the DHS' total discretionary request of \$34.2 billion represents an increase of \$2.2 billion, or 7 percent, increase above current year funding. The majority of the \$2.2 billion increase is due to a \$3.00 increase in the Aviation Security Passenger Fee, up to a total of a \$5.00 increase per trip, which is estimated to yield a \$1.6 billion increase in revenues. If all fee-funded programs are accounted for, DHS' net discretionary request is \$29.3 billion, representing a \$343 million, or 1.2 percent increase, above the current year level – *less than the rate of inflation*.

The Minority supports additional resources for the DHS above current year levels. However, as it noted in its Minority Views last year, rectifying critical homeland security gaps that continue to exist throughout our nation will, in part, require additional resources above what is requested in the President's FY 2006 Budget. For example, since the tragedy of September 11, our nation's first responders still lack the resources they need to ensure they are properly equipped and trained to protect our communities from a terrorist attack; radiation portal monitors that can detect the presence of a weapon of mass destruction are not yet installed at all ports of entry and related sites; robust air cargo systems are not yet deployed nationwide that can detect the presence of dangerous materials, and physical security at our nation's ports is inadequate relative to the security threats that exist. While requested funds for FY 2006 will assist in closing these security gaps, no less than an additional \$6.1 billion above the FY 2006 President's request (not including the Coast Guard's project Deepwater) will be necessary to ensure that our homeland is as safe as it needs to be relative to the threats we face. If additional funds for the acceleration of Project Deepwater are included, no less than \$7.0 billion in additional resources is required.

**The Administration's Fiscal Policy and Homeland Security**

While funding for homeland security has increased since the attacks of 9/11, the issue is not whether such funding has risen – the issue is whether sufficient resources have been devoted to homeland security since 9/11 to ensure that we are as safe as we need to be. By this standard,

the Administration continues to fall short in its efforts to protect the country. This is due, in part, to the Administration's misguided fiscal policies of the last four years which result in resources being channeled to the wrong priorities. For example, last year the Administration provided tax cuts to the wealthiest one percent of Americans (those earning more than \$1 million a year) totaling about \$90 billion – three times the amount of discretionary funding devoted to the Department of Homeland Security. Such tax cuts come at a time when the Council on Foreign Relations has estimated that our nation's first responders, alone, require upwards of \$100 billion to satisfy their critical needs.<sup>1</sup> The President's FY 2006 Budget proposes to continue its tax cut policies, which will result, in part, in a projected deficit of \$427 billion for the current fiscal year – the third year in a row that the deficit will reach a record level. While the Administration may take credit for increasing the homeland security discretionary budget for next fiscal year by 7 percent – or \$2.2 billion – relative to the current year level, we will spend that amount in about two weeks in Iraq. While we must keep faith with our military personnel serving in harm's way overseas, we must also keep faith with the men and women of the Homeland Security Department as they serve on the front lines every day to protect us against terrorist and other threats. We must ensure that they – and our collective homeland security effort – receive the resources that are urgently needed to ensure the United States is as safe as it needs to be. We must get our priorities right.

### **First Responder Grant Programs**

#### *Office of State and Local Government Coordination (OSLGC)*

The President's fiscal year 2006 Budget request for OSLGC-administered grants for our state and local first responders and related homeland security needs totals \$3.6 billion, representing a \$420 million – or nearly 11 percent – decrease from the amounts appropriated by Congress for fiscal year 2005. The President's proposal also seeks to increase the amount of discretionary grant funds to be distributed based on threats and vulnerabilities. Specifically, the President's Budget seeks to reduce the percentage guaranteed to each state as part of the State Homeland Security Grant Program from 0.75 percent to 0.25 percent (the same percentage as currently guaranteed to all U.S. territories). Such a proposal is consistent with legislation supported by the Select Committee on Homeland Security, and enacted by the House as part of H.R. 10, during the 108<sup>th</sup> Congress.

In aggregate, however, the proposed reductions for FY 2005 for first responder funding, as compared to current year levels, are made at a time when outside expert panels, such as one assembled by the Council on Foreign Relations, note that our nation's first responders still lack the training, equipment, and other support required to ensure that they are full prepared to prevent or respond effectively to any possible terrorist attack. While significant resources have been devoted to first responders since September 11, there is a continuing need to increase their preparedness. Despite Administration plans in Homeland Security Presidential Directive 8 (HSPD-8) to tie the budget request to an assessment of first responder needs, HSPD-8 was not

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<sup>1</sup> Council on Foreign Relations, *Report of an Independent Task Force Sponsored by the Council on Foreign Relations, Emergency Responders: Drastically Underfunded, Dangerously Unprepared* (New York: Council on Foreign Relations, June 2003), 2.

implemented in time for the budget submission, and funding levels requested in the President's budget do not reflect the actual needs of our nation's first responders. Given outstanding needs, the Minority strongly believes that FY 2006 resources for state and local grant programs should be increased above levels proposed in the President's FY 2006 Budget by at least \$3.9 billion as described below.

The President's fiscal year 2006 request for DHS state and local grants proposes a number of changes to individual programs. Specifically:

- The President's FY 2006 Budget proposes to reduce funding for the State Homeland Security Grant Program by nearly \$300 million below the current year level. Such a decrease comes as the result of two actions: First, the FY 2006 requested level includes an \$80 million decrease relative to the current year level; second, the President's budget stipulates that no less than 20 percent – which amounts to \$204 million – of funds for the FY 2006 State Homeland Security Grant Program must be allocated for “terrorism prevention activities of law enforcement.” The latter adjustment is similar to the stipulation placed on the Urban Area Security Initiative (see below), and is intended to offset the impact to law enforcement by the President's proposal to completely eliminate in FY 2006 the Law Enforcement Terrorism Prevention Grant program. Taken together, both adjustments will have the effect of reducing the amount of grant funding for distribution to states and territories for non-law enforcement-specific purposes by \$284 million – a 26 percent decrease relative to the FY 2005 amount. For this reason, the Minority supports an increase in funding for the State Homeland Security Grant Program to a level no lower than the FY 2005 enacted level of \$1.1 billion.
- The President's request also makes significant cuts to the Assistance to Firefighters Grant Program (FIRE Grants). Specifically, the President's Budget requests \$500 million, representing a cut of \$215 million – or 30 percent – relative to the current year level. The FIRE Grant program was created before September 11 by Congress in order to meet basic, critical needs of the firefighting community, which a December 2002 study by the U.S. Fire Administration and the National Fire Protection Association found to be significant. Also, unlike the enacted FY 2005 amount, the President's FY 2006 Budget does not include any specific funding for the SAFER (Staffing for Adequate Fire and Emergency Response) program to reach the goal of hiring 10,000 new fire fighters and help communities attain 24-hour staffing to provide increased protection against fire and related hazards. The SAFER Act authorizes \$7.7 billion over a seven year period, to include \$1 billion for FY 2006. For these reasons, we support an increase in funding for the FIRE grant program to a level no lower than the fully authorized amount of \$750 million. Consistent with congressional intent, an additional \$1 billion is needed to support the goals of the SAFER Act.
- The enhancement and acquisition of interoperable communications systems remain a critical need for the first responder community. However, the President's FY 2006 Budget requests no specific funds for grants to enhance interoperability, and eliminates the relatively modest \$20 million for interoperability as part of DHS' Technical Assistance Program (similarly, the President's FY 2006 request for the Justice Department proposes to eliminate \$99 million for COPS Interoperable Communications Technology Grants). Additional funding to increase

interoperability among our nation's first responders is urgently needed. In June 1998, the Public Safety Wireless Network program estimated that replacing communications systems nationwide to achieve interoperability could cost as much as \$18.3 billion.<sup>2</sup> The Council on Foreign Relations has reported that, in virtually every major city and county in the United States, no interoperable communications system exists to support police, fire departments, and response personnel at all levels of government during a major emergency,<sup>3</sup> and that a minimum, \$6.8 billion over five years would be necessary to ensure dependable, interoperable communications for first responders.<sup>4</sup> For these reasons, the Minority supports a dedicated down payment of at least \$500 million in FY 2006 for first responder interoperability purposes.

- The President's FY 2006 Budget proposes to eliminate the Law Enforcement Terrorism Prevention Grants, currently funded at \$400 million, as a separate grant program. Instead, grants to support terrorism-related law enforcement efforts will be funded as part of the State Homeland Security Grant program and the Urban Area Security Initiative regional grant program. While the Minority fully supports the needs of law enforcement at the state and local level to prevent, prepare for, and respond to a terrorist attack, we believe that law enforcement officials should not have to compete for grant funds with – and at the potential expense of – other first responder entities. For this reason, the Minority supports funding for a dedicated Law Enforcement Terrorism Prevention Grant program at a level no lower than \$400 million.
- The President's FY 2006 Budget also proposes to reduce funding for the Emergency Management Performance Grant program by \$10 million – or nearly 6 percent – relative to the current year level. A March 2002 survey by the National Emergency Management Association found that an additional 5,212 local emergency management positions are needed, with 3,960, or 76 percent, of those positions being fulltime directors needed to manage the programs. For this reason, the Minority supports funding for the Emergency Management Performance Grant to a level no lower than the enacted FY 2005 level of \$180 million.
- The President's FY 2006 Budget proposes to consolidate FY 2005 sector-specific grants for port security, rail and transit security, trucking security, and intercity bus security into one \$600 million Targeted Infrastructure Protection grant program for next fiscal year. The Minority has two concerns with the Administration's proposal: First, this grant program would force many critical infrastructure sectors to compete against one another for scarce resources, increasing the likelihood that these sectors will receive less funding than last year. On a related note, requesting the new Targeted Infrastructure Protection program as part of DHS' Urban Area Security Initiative raises the concern that funding for critical infrastructure

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<sup>2</sup> Public Safety Wireless Network, *LMR Replacement Cost Study Report* (Washington: Public Safety Wireless Network, June 1998), 5.

<sup>3</sup> Council on Foreign Relations, *Report of an Independent Task Force Sponsored by the Council on Foreign Relations, America Still Unprepared, America Still in Danger* (New York: Council on Foreign Relations, 2002), 14.

<sup>4</sup> Council on Foreign Relations, *Report of an Independent Task Force Sponsored by the Council on Foreign Relations, Emergency Responders: Drastically Underfunded, Dangerously Unprepared* (New York: Council on Foreign Relations, June 2003), 33.

improvements will not be channeled to non-urban area environments. Second, the Administration's \$600 million request is woefully inadequate, especially given that port and rail systems have billions of dollars in funding needs. For example, to date, ports will receive \$715 million in security grant funding, yet this amount is \$410 million short of initial estimated needs and \$4.7 billion short of the Coast Guard's \$5.4 billion overall estimate of what owners and operators of port facilities believe will be needed to make themselves secure against a terrorist attack. Similarly, outstanding public rail and public transit needs total nearly \$3 billion. The Minority supports grant programs that take advantage of the sector-specific expertise that exists, or is being developed, within the Department. Additionally, if the targeted infrastructure program is enacted as requested, the Minority believes that additional resources for port and rail security totaling \$1.6 billion above the President's request for FY 2006 will be required.

- The FY 2006 President's Budget – similar to last year's proposal – includes no funding for the Metropolitan Medical Response System (MMRS). The primary focus of the MMRS, which was conceived after the 1995 terrorist release of sarin nerve gas in a Tokyo subway, is to develop or enhance existing emergency preparedness systems to effectively respond to a public health crisis, particularly an event involving a weapon of mass destruction (including a so-called "dirty bomb" which disperses harmful radiation). Through MMRS-sponsored preparation and coordination, local law enforcement, fire, hazardous material, emergency medical service, hospital, public health, and other first responder personnel plan will be more effective in responding in the first 48 hours to a public health crisis. Currently 125 municipal authorities in 43 states benefit from the program. The Minority is not convinced that, consistent with the President's Budget, the goals of the MMRS program will be better supported by other, less specific, terrorism grant programs, and believes that the program should be funded at a level no less than the current year amount of \$30 million.

### ***Departmental Operations***

The FY 2006 President's Budget requests \$665 for Department Management and Operations, representing a \$140 million – or 27 percent increase – above the FY 2005 enacted level. The requested amount includes nearly \$50 million to support the establishment of a DHS nationwide regional structure; \$26 million for continued development of the Department's headquarters in Washington, D.C., and \$53 million for DHS' human resource system initiative, dubbed "MAX HR," which will implement the Department's new personnel system that is slated to begin implementation later this year. The Minority notes that DHS' concept of a future regional structure is not yet mature, nor has it been formally approved by DHS leadership, thus calling into question whether funds will be needed as requested in the President's budget. Regarding DHS' new personnel system, the Minority remains concerned that it will erode the collective bargaining and employee appeal rights that have long protected government employees against unfair or arbitrary management practices, and replace the well-established civil service compensation program with a new, untested "pay for performance" system. The Minority will continue to give close attention to this issue, and believes that the \$53 million in requested funds would be better allocated to rectify specific homeland security gaps.

## ***Office of the Inspector General***

The FY 2006 President's Budget requests \$83 million for the Office of the Inspector General (OIG), representing barely a one percent increase above the FY 2005 enacted level (less than the rate of inflation). Requested resources will be used to support a staff of 540 employees, most of who will be engaged in audits, inspections, and investigations of various Departmental programs and activities. Given the vital importance of the Inspector General's office in probing and identifying programmatic inefficiencies and general waste, fraud, and abuse in a Department that encompasses over 180,000 employees for the benefit of Congress and DHS' leadership, the Minority is concerned that additional resources may be needed above the level requested by the President to fully support the OIG's work.

## **Border and Transportation Security**

### ***Office of the Under Secretary for Border and Transportation Security***

#### ***United States Visitor and Immigrant Status Indicator Technology (US-VISIT)***

The President requests \$390 million for the US-VISIT program for next fiscal year, an increase of approximately \$50 million above the current year level. The Minority continues to have concerns about the overall development and long-term vision of the US-VISIT program. Additionally, the Minority remains concerned about the continued reliance of the US-VISIT system on rapidly aging Immigration and Naturalization Service (INS) legacy systems. The Minority underscores the need for continued oversight of the program, especially in such areas as the total future cost of the system, contractor performance, the effectiveness of US-VISIT as a counterterrorism tool, and the program's impact on the free flow of commerce at our nation's borders.

#### ***NEXUS/SENTRI***

The FY 2006 Budget requests \$21 million for the NEXUS and SENTRI (Secure Electronic Network for Travelers Rapid Network) programs. Both NEXUS and SENTRI are "pre-enrollment" frequent traveler screening programs designed to expedite border crossings for those individuals identified as posing a low risk of terrorism. The Minority is concerned that the \$21 million allocated for NEXUS and SENTRI may be insufficient to adequately fund enrollment centers in major population centers away from the border and to provide necessary maintenance for the technology used for the programs. Additionally, higher levels of funding may be needed above the President's request to promote greater participation in both programs, which would create the advantage of allowing border inspectors to devote more time to screen travelers judged to be "high risk." For this reason, the Minority will continue to exercise close oversight over the performance of, and resource levels for, the NEXUS and SENTRI programs.

#### ***Office of Screening Coordination and Operations***

The Minority notes the Department's FY 2006 proposal to establish an Office of Screening Coordination and Operations (SCO) to coordinate, consolidate, and streamline various screening programs to facilitate both security and travel. The Minority looks forward to assessing precisely how the SCO will operate, DHS' rationale regarding which programs will be included as part of the new office, and how those programs will be managed.

As part of this effort, the Department of Homeland Security proposes to shift the US-VISIT program into this new office, along with several other Transportation Security Administration (TSA) or Customs and Border Protection (CBP) efforts. The Department seeks to exercise its existing authority to collect fees next fiscal year totaling \$321 million to fully recover the costs of the Secure Flight, Transportation Worker Identification Credential, Hazardous Material Drivers' License Endorsement, and the Alien Flight School Check programs. The new SCO office, or other appropriate entity in DHS, will likely need additional amounts made available for implementation of the new law enforcement officer travel credential, as mandated by the *Intelligence Reform and Terrorism Prevention Act of 2004*. Additionally, as part of the request for the new SCO office, the FY 2006 President's budget seeks \$81 million for the Secure Flight program. The Department of Homeland Security Appropriations Act for 2005 (Public Law 108-334 § 522) prohibits TSA from deploying or implementing the Secure Flight program until the system is certified to meet a number of requirements as set forth by the Government Accountability Office (GAO). The GAO has not yet issued a report on Secure Flight, but has commented to Minority staff that notable obstacles remain before the program can proceed. Given GAO's report, the Minority questions whether Secure Flight will be sufficiently developed by next fiscal year to require all of the resources requested for it within the President's FY 2006 budget.

### ***Customs and Border Protection (CBP)***

#### ***Construction***

The President's FY 2006 Budget requests \$93.4 million to maintain and construct CBP facilities nationwide. The President's budget makes clear that the entire construction budget is for the Border Patrol and not for our nation's ports-of-entry. While the Minority supports the infrastructure needs of a rapidly growing Border Patrol, we are concerned that the request will not meet the Border Patrol's current needs nor will it meet the needs of the workforce authorized in the *Intelligence Reform and Terrorism Prevention Act of 2004*. Additionally, providing border security without inhibiting trade requires a substantial investment in border infrastructure. This is especially true at our land ports of entry. While the General Services Administration is responsible for construction at our nation's ports of entry, CBP involvement is critical as will be the new Office of Screening Coordination and Operations. Layouts of inspection plazas, space limitations, limited number of inspection booths and lanes all affect the flow of traffic. Clogged borders with large traffic backups put pressure on inspectors to cut corners, thus reducing overall levels of security. The need for additional infrastructure investments is especially necessary given the implementation of US-VISIT and various pre-enrollment programs to separate high from low risk travelers. In a June, 2000 report, the former U.S. Customs Service estimated that an additional \$784 million was needed to improve infrastructure and technology at our nation's ports of entry. Given that this estimate was made before the attacks of 9/11, it did not take into

account all of the current security-related costs that are now needed. Additionally, it did not include the costs of infrastructure needed to process travelers and goods leaving, as opposed to entering, the country. The Minority believes that at least an additional \$1 billion is urgently needed above the level requested by the President for border construction needs.

### *CBP Personnel*

The President's FY 2006 Budget requests \$4.7 billion for CBP salaries and expenses, an increase of \$197 million above the current year level to fund, in part, CBP personnel. Such personnel are critical in our national effort to prevent terrorists from gaining entry to the U.S. or using transportation and commercial supply chain systems to help carry out a terrorist attack. The Minority is concerned, however, that several specific resource levels included in the FY 2006 Budget will be insufficient:

- Border Patrol: The *Intelligence Reform and Terrorism Prevention Act of 2004* authorized 2,000 additional Border Patrol personnel annually for deployment along the U.S. northern and southern border from FY 2006-2010. The President's FY 2006 Budget provides funding for only 210 – or 1,790 Border Patrol agents short of Congressional intent. The Minority understands that the 210 new agents will replace those from the southern border who have been relocated to the northern border. Resource levels included in the President's FY 2006 Budget will also not result in the necessary Border Patrol personnel required to reach levels authorized in the *2001 PATRIOT Act* and the *2002 Enhanced Border Security and Visa Entry Reform Act*. Currently, DHS is 728 Border Patrol agents short of the mandates in the latter two bills. If the 9/11 bill authorization levels are taken into consideration, the President's budget should fund 2,728 Border Patrol agents for FY 2006, which would result in over 13,500 agents defending our nation's borders. The Minority believes that, at a minimum, an additional \$87 million is necessary above the President's request to satisfy the Border Patrol level for next fiscal year included in the 9/11 reform bill. If all congressional mandates are to be honored, an additional \$135 million would be needed above the President's request.
- C-TPAT/CSI: The President's request includes an additional \$8 million to pay for supply chain security validations of companies who participate in the Customs Trade Partnership Against Terrorism (C-TPAT) program. The Minority is concerned that the Administration's request may not fix the personnel shortages associated with C-TPAT. C-TPAT membership has nearly doubled over the last year while the level of supply chain specialist has remained the same. This means that, without additional personnel, security validations will take years to complete. Simultaneously, lower than optimal personnel levels will allow companies to receive the benefit of reduced security inspections without ensuring they meet their security responsibilities. The FY 2006 Budget also includes funding for an additional 14 positions in support of DHS' Container Security Initiative (CSI). While such an increase is a positive development, and mindful of past resource increases, the Minority is concerned that it may not be sufficient to ensure effective implementation of the CSI program. The amount of new CSI inspectors, and their deployment schedule at overseas foreign ports, will need to be monitored closely to ensure that, in light of the program's goals, robust examination of cargo at foreign ports occurs before it travels to the U.S. The Minority will work to ensure sufficient resources are devoted to both programs.

### *Non-Intrusive Inspection Technology*

The President's FY 2006 Budget requests \$125 million for the development, purchase, and installation of radiation portal monitors at our nation's major border crossings. Such portals are a type of non-intrusive inspection (NII) technology that can be used to detect the presence of radiological materials that could comprise a weapon of mass destruction. The \$125 million would complete the installation of portal monitors on the southern border and ten percent of air cargo facilities at international airports. Requested funds are in addition to the \$279 million previously provided by Congress to install portals at our 22 largest sea ports, major northern border crossings, and international mail facilities. However, even if FY 2006 requested funds for NII technology are provided, the Minority understands that CBP will still require an additional \$92 million above the President's request (for a total of \$496 million) to ensure that – consistent with its own plan – portal monitors are installed at air cargo facilities, rail border crossings, and smaller ports of entry. Additionally, no funds are requested in the FY 2006 for handheld isotope identifiers which identify the type of radiation present in a container, or additional VACIS machines which use x-rays to provide an image of the contents of a shipping container. The Minority believes it is unacceptable for NII technology to be lacking at our ports of entry and other critical infrastructure sites over three years since September 11, and strongly supports additional resources of at least \$92 million above the FY 2006 request to correct this deficiency.

### *Immigration and Customs Enforcement*

The President's FY 2006 Budget requests \$4.4 billion for Immigration and Customs Enforcement (ICE), representing a \$519 million, or 13 percent, increase above the FY 2005 amount. However, \$94 million – or nearly 20 percent – of the increase is dedicated to existing programs which are being shifted to ICE from other agencies. The continuing financial management problems at ICE, along with the ongoing baseline review of its budget, make it difficult to know with any precision whether the requested amount for next fiscal year will be adequate to support ICE's myriad missions. The Minority remains concerned that ICE's financial problems will not be fully resolved until FY 2007 at the earliest, adversely effecting operations in the meantime. The Minority will continue to monitor ICE's financial health closely to ensure it has the resources needed to perform its vital work.

#### *ICE Inspectors*

The *Intelligence Reform and Terrorism Prevention Act of 2004* authorized 800 additional ICE investigators annually from FY 2006-2010 to investigate immigration violations. The President's FY 2006 Budget provides funding for only 152 new investigators – or 648 investigators short of Congressional intent. The Minority estimates that an additional \$61 million above the President's request would be needed to satisfy the FY 2006 personnel level included in the *Intelligence Reform and Terrorism Prevention Act of 2004*.

#### *Detention and Removal Operations (DRO)*

For next fiscal year, the President's budget includes approximately \$1.7 billion for Detention and Removal Operations (DRO), including \$90 million for additional bed space to

incarcerate removable aliens. According to the Department of Homeland Security, the requested \$90 million translates to 1,920 new beds – 6,080 beds short of the amount included in the *Intelligence Reform and Terrorism Prevention Act of 2004*. The Minority is concerned that DRO may not be able to accommodate its current bed space needs; if additional funds are not provided in FY 2005 to correct this shortfall, much, if not all, of the proposed FY 2006 increase could be consumed by higher costs resulting in no new bed space. If DRO receives sufficient additional funds in FY 2005 to meet its current needs, then bringing the President's request up to the levels authorized in the *Intelligence Reform and Terrorism Prevention Act of 2004* would require an additional \$285 million above the level requested by the President.

### *Federal Air Marshals*

The President's FY 2006 Budget includes \$689 million for the Federal Air Marshal Service (FAMS) within the Bureau of Immigration and Customs Enforcement, an increase of \$25.9 million over the FY 2005 enacted level. The Minority supports increased resources for FAMS, but believes that an additional \$39.1 million is necessary for the Air Marshal Service to retain and hire sufficient personnel to fully reach authorized levels and ensure appropriate flight coverage.

### *Transportation Security Administration*

The President's FY 2006 Budget includes \$5.6 billion for the Transportation Security Administration (TSA), representing a net increase of \$156 million over the current year level. The Department requests that the majority of TSA's FY 2006 budget – \$ 4.1 billion, or nearly 75 percent – will be offset through the collection of passenger security and air carrier fees. Nearly 85 percent of TSA's request directly involves personnel and equipment costs for airport screening of passengers and baggage, with an additional 14 percent supporting aviation needs. Less than one percent of TSA's FY 2006 request is for surface transportation security efforts.

### *Passenger Fee Increase*

Of significant note in the President's FY 2006 Budget request is a proposal to increase the aviation security fee placed on passenger tickets by \$3.00, to a maximum of \$8.00. The Administration estimates that this increase will provide TSA with an additional \$1.6 billion in revenue, for a total of \$3.8 billion. Additionally, \$350 million is proposed in the budget to be paid to TSA by air carriers, which would bring total fee-funded revenue to \$4.1 billion – or 91 percent of the cost of providing aviation security screening. The Minority is concerned that an increase in the fee levied on air tickets will have significant detrimental effects on the aviation industry, potentially resulting in the end of operations for multiple air carriers. More fundamentally, the Minority believes that the cost of providing for aviation security in the post 9/11 environment should be financed primarily by the federal government, as opposed to passing this cost on to consumers in the form of an additional "tax" on airline tickets. The Minority does not believe the President's Budget proposal is acceptable, and maintains that additional federal funds, most likely in the form of discretionary appropriations, should be devoted to TSA in lieu of the proposed passenger security fee increase.

### *Aviation Screeners*

The Minority is concerned that the current legislative mandate to limit TSA screeners to no more than 45,000 may be having a detrimental effect on aviation security, given the resulting staffing imbalances and shortfalls that exist at some of our nation's airports. The Minority expects that TSA will soon complete its study of the number of screeners that are needed to fully implement security regulations at every airport, consistent with the *Intelligence Reform and Terrorism Prevention Act of 2004* and the Congress should provide the appropriate level of resources needed to support the number of screeners determined necessary.

### *Private Aviation Screening*

The President's FY 2006 Budget request continues funding for the five airports involved in the Private Screening Program (PP5) but does not include segregated funds for additional airports opting out of TSA screening under the Screening Partnership Program (SPP). The Minority understands that TSA intends to fund screening costs for any SPP airports out of funds requested for TSA screener airports, and approves of this approach until more information is available on the number of SPP airports.

### *Explosives Detection System (EDS)/Explosives Trace Detection (ETD) Installation*

The President's FY 2006 budget requests \$367 million in discretionary appropriations, to be complemented by \$250 million from the Aviation Security Capital Fund, for a total of \$617 million for EDS/ETD purchase, installation, and maintenance at airports nationwide. This total is \$33 million less than both the full amount made available to TSA for the current year, and the fully authorized amount for EDS installation as a result of the *Intelligence Reform and Terrorism Prevention Act of 2004*. Of the total amount, \$241 million will be devoted to reimburse nine airports through eight Letters of Intent (LOI) for EDS/ETD equipment at a 75 percent reimbursement level for large airports. The Minority notes that airports may require up to \$4 billion to install in-line EDS technology to protect the traveling public, and that additional resources above the level requested by the President are urgently needed – in part to save money in the long run. Regarding the nine airports that are currently covered by LOIs, the Government Accountability Office has noted that, "According to TSA's analysis, in-line EDS systems would reduce by 78 percent the number of TSA baggage screeners and supervisors required to screen checked baggage at these nine airports, from 6,645 to 1,477."<sup>5</sup> For these reasons, the Minority recommends funding for EDS installation to a level no lower than the fully authorized amount of \$650 million.

### *Air Cargo Security*

The President requests \$40 million for air cargo security, representing no change from the current year level and \$160 million less than the fully authorized amount in the *Intelligence Reform and Terrorism Prevention Act of 2004*. The Minority feels that such funding levels need

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<sup>5</sup> Government Accountability Office, "Transportation Security: Systematic Planning Needed to Optimize Resources," GAO-05-357T, Tuesday, February 15, 2005, 9.

to be revisited, given persistent threats to aviation security. The Minority believes that TSA should take steps to ensure that 100 percent of air cargo is inspected and that security verifications for all companies participating in the “known shipper” program are completed. Given that the proposed FY 2005 budget does not provide sufficient resources for either of these goals, the Minority strongly recommends funding for air cargo security efforts to a level no lower than the fully authorized amount of \$200 million.

### **United States Coast Guard**

The President’s FY 2005 Budget requests \$966 million for the Integrated Deepwater program, a \$242 million increase over the current year level. The Deepwater program is designed to replace the Coast Guard’s antiquated fleet of cutters and aircraft. Many of these assets are reaching the end of their service life and, as a result, suffer major mechanical casualties. These casualties have hampered the Coast Guard’s ability to perform its vital homeland security and law enforcement missions. The FY 2006 request will modestly accelerate completion of the program from approximately 22 to 20 years. The Minority, however, is concerned that completing the Deepwater program in 20 years is too long to wait in light of the Coast Guard’s significant homeland security missions. The Minority believes that the Deepwater program should be accelerated to be completed in 10 years, and that an additional \$926 million to the Coast Guard’s budget above the level of the President’s request to achieve this objective. While this represents a large increase, such an acceleration would not only outfit the Coast Guard with a modern fleet of cutters and aircraft, but, the Minority understands, would also result in \$4 billion in savings over the life of the program.

### **Science and Technology**

The President’s FY 2006 Budget requests \$1.37 billion for the Science and Technology Directorate of DHS. The Minority is pleased that the request reflects a consolidation throughout DHS of research and development activities within the Directorate and expects that this reprogramming will yield cost efficiencies and technology leveraging in the coming years.

#### *Man-Portable Air Defense (MANPAD) Systems*

The Minority notes the increase in the President’s FY 2006 Budget request for the counter-MANPADs program to \$110 million, an increase of \$49 million. The Minority recognizes that the program is entering more costly development and testing stages, and – consistent with the program’s current mandate to protect the American public against MANPAD systems – strongly urges the Department to provide to Congress an operational feasibility study for counter-MANPADs technology.

#### *Aviation Security-related Research & Development*

The Minority notes that the *Intelligence Reform and Terrorism Prevention Act of 2004* authorizes \$470 million for specific aviation security-related research and development (R&D) programs, to include: \$100 million for air cargo research and development (R&D) work, \$250 million for aviation portal monitors for the detection of biological, radiological, chemical, and

explosive materials, \$100 million for R&D efforts to support improved explosive detection systems, and \$20 million to support the development of advanced biometric technology applications for aviation security. Unfortunately, however, the President's FY 2006 Budget only includes \$52 million within DHS' Science and Technology Directorate to fund these critical efforts - \$418 short of amounts included in the 9/11 bill. Consistent with congressional intent, we recommend an additional \$418 million to fund aviation security-related R&D efforts.

### *Biological Countermeasures and Agricultural Defense*

The FY 2006 budget for the Department includes \$362 million for research, development, testing, and evaluation of several biological countermeasures, including: support for threat awareness and risk assessment of biothreats (\$46 million); detection systems for aerosolized bioagents (\$109 million); automated sample collection technologies (\$82 million); and development of animal vaccines and next-generation diagnostics for foreign animal diseases (\$87 million). The President's FY 2006 budget for the Department also includes \$23 million to establish a new National Bio and Agrodefense Facility to strengthen detection and response capabilities to the intentional introduction of high consequence biological threats, such those targeted against animal livestock or the nation's food supply. Total funding for design and construction of the new Facility is estimated at \$451 million for FY 2006-2010. While the Minority applauds the Administration's recognition of the importance of detecting and preventing a bioterror attack, it notes that the total amount of funding requested for biological countermeasures is \$35.4 million – or nearly 9 percent – below the FY 2005 enacted level. The Minority will continue to exercise close oversight of the activities designed to boost capabilities to detect and respond to an attack using biological pathogens, including those pathogens used to attack crops or livestock, and recommends funding to a level no lower than the FY 2005 amount of \$375 million.

### *Aviation Security R&D*

## **Information Analysis and Infrastructure Protection**

The FY 2006 President's Budget requests \$873 million for the Department's Information Analysis and Infrastructure Protection (IAIP) Directorate, representing a \$20.5 million, or two percent, decrease relative to the current year level. Funds are requested for IAIP Management and Administration, and Assessments and Evaluation.

### *Assessment & Evaluations*

The FY 2006 President's Budget requests \$669 million for the Assessment and Evaluations account, representing a \$92 million – or 12 percent – decrease relative to the current year level. The overall reduction is due, in part, to the transfer of \$50 million for Buffer Zone Protection Plans as part of the Administration's Targeted Infrastructure Protection grant program within the Office of State and Local Government Coordination, and \$41.5 million to the DHS S&T Directorate for critical infrastructure emerging technology pilot projects. The Minority notes that an additional \$6 million is requested for the Department's cyber security activities above the current year level of \$67 million, which will aid in greater computer security

preparedness and response to cyber attacks and incidents. Additionally, the Minority is pleased with the \$11 million requested for IAIP's National Biosurveillance Integration System, designed to improve the Federal government's capability to rapidly identify and characterize a potential bioterrorist attack through the integration of information from other federal agencies, such as the Department of Agriculture and the Centers for Disease Control. Overall, however, the Minority will continue to exercise close scrutiny over the resource levels of the assessment and evaluation efforts of IAIP, given its critical functions, in part, to complete a comprehensive National Critical Infrastructure Plan, consistent with Homeland Security Presidential Directive 7, and the creation of an associated national asset database. The Department is encouraged to ensure that all appropriate critical infrastructures are included as part of the national Plan, to include chemical plants, nuclear facilities, and – in light of the September, 2004 terrorist attack in Beslan, Russia – educational facilities that house our nation's 53 million school children.

### *Management and Administration*

The President's FY 2006 Budget requests \$204 million for the Management and Administration account of the Information Analysis and Infrastructure Protection (IAIP) Directorate, representing a \$72 million, or 55 percent, increase over the FY 2005 level. Increases include \$38 million for facilities enhancements to allow the IAIP workforce to function in a secure work environment (this is in addition to \$26 million requested for enhancements to DHS' Homeland Security Operations Center); \$19 million for the Homeland Security Data Network, and \$11 million to hire 146 new information analysis, infrastructure vulnerability analysis, and cyber security operations. The Minority emphasizes the need for continued oversight in this important area of the DHS budget.

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